

**COMMONWEALTH OF MASSACHUSETTS  
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY**

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**FITCHBURG GAS AND ELECTRIC LIGHT COMPANY  
ELECTRIC DIVISION RATE REQUEST**

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**D.T.E. 02-25**

**PETITION FOR APPROVAL OF  
ELECTRIC DIVISION TARIFFS**

NOW COMES Fitchburg Gas and Electric Light Company ("FG&E"), and pursuant to G.L. c. 164, § 94 and 220 C.M.R. 5.00 et seq. respectfully requests that the Department of Telecommunications and Energy ("Department") approve the tariffs filed this date for FG&E's Electric Division ("Electric Division"). In support thereof, FG&E states as follows:

1. FG&E was incorporated in the Commonwealth in 1852 as a gas company and has combined electric distribution operations. FG&E is subject to the jurisdiction of the Department under G.L. c. 164.
2. The Electric Division serves approximately 27,000 customers in the communities of Fitchburg, Townsend, Lunenburg, and Ashby.
3. FG&E's last electric base rate increase was granted in 1984.
4. Based on a test year 2001 and a due examination of FG&E's revenues, expenses and rate base level, FG&E's electric rate levels are not sufficient to permit FG&E the opportunity to recover the cost of serving its customers and do not provide FG&E a reasonable opportunity to earn its authorized rate of return.

5. In addition, FG&E has restructured its electric operations to accommodate the restructuring of electric services and offer customer choice and supplier access to its electric distribution system and customers. These changes have required new investments by FG&E.

6. On April 16, 2002, pursuant to the Department's order in D.T.E. 99-84, the Electric Division filed its Performance Based Regulation Plan ("PBR Plan"). Major components of the PBR Plan include the implementation of service quality standards and rate mechanisms that impose penalties if FG&E's service quality falters. If approved, the PBR Plan will have a price cap and a term of ten years. It is important that the Electric Division's rates be set at the start of the PBR Plan to a level that is just and reasonable and that will permit FG&E the opportunity to earn its allowed return.

7. In addition to this petition and the proposed rate schedules, FG&E is providing expert testimony in support of its Rate Request for the Electric Division.

8. The Testimony and Schedules of Mark H. Collin (Volume I, Exh. FGE-MHC - 1 through Exh. FGE-MHC - 7) support and justify the requested total revenue requirement for the Electric Division.

9. The Testimony and Schedules of James L. Harrison (Volume III, Exh. FGE-JLH - 1) support the fully Allocated Cost of Service Study and the Marginal Cost of Service Study which are used to design base electric rates for each rate class.

10. The Testimony and Schedules of Dr. Samuel C. Hadaway (Volume II, Exh. FGE-SCH - 1) support and justify the proposed allowed return on equity for the Electric Division.

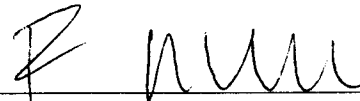
11. The Testimony and Schedules of James H. Aikman (Volume II, Exh. FGE-JHA - 1) support and justify the Depreciation Study that is used to establish the appropriate depreciation expense used in the determination of the Electric Division's cost of service.

12. The Testimony and Schedules of Karen M. Asbury (Volume I, Exh. FGE-KMA - 1) support the Electric Division tariffs, rate design and rate impact analysis.

13. FG&E has presented these tariffs in compliance with the Department's rules and regulations and ratesetting precedent.

WHEREFORE, for all the reasons set forth, Fitchburg Gas and Electric Light Company respectfully requests that the Department of Telecommunications and Energy approve its Electric Division tariffs and accompanying Rate Request.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'P. French', written over a horizontal line.

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